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THE  
INTERNATIONAL  
NICKEL  
COMPANY  
OF  
CANADA,  
LIMITED  
1971 ANNUAL REPORT







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## Results in Brief

	1971	1970
NET SALES & OTHER INCOME	\$ 799,868,000	\$1,066,967,000
COSTS, EXPENSES & INCOME TAXES	\$ 705,626,000	\$ 858,376,000
NET EARNINGS	\$ 94,242,000	\$ 208,591,000
PER COMMON SHARE	\$1.26	\$2.80
DIVIDENDS PAID	\$ 96,862,000	\$ 104,230,000
PER COMMON SHARE	\$1.30	\$1.40
INCOME TAXES	\$ 23,135,000	\$ 121,091,000
CAPITAL EXPENDITURES	\$ 244,234,000	\$ 272,465,000
EXPLORATION EXPENDITURES	\$ 32,904,000	\$ 31,889,000
TOTAL ASSETS	\$2,094,753,000	\$1,827,357,000
ORE MINED (wet short tons)	28,200,000	28,300,000
NICKEL DELIVERIES (pounds)	342,450,000	518,870,000
COPPER DELIVERIES (pounds)	340,300,000	348,100,000
PLATINUM-GROUP METALS & GOLD DELIVERIES (troy ounces)	437,400	387,700
EMPLOYEES	36,089	37,313
SHAREHOLDERS	92,217	84,320

*Dollar figures in this Report are expressed in United States currency, unless otherwise stated.*

*La traduction en français de ce rapport sera envoyée sur demande.*





## Chairman's Message to Shareholders

**T**he dominant factor affecting your Company during the year was the pronounced drop in the Company's sales of primary nickel and rolling mill products, the product areas which together account for about 70 per cent of the Company's net sales. Primary nickel sales dropped about 34 per cent; rolling mill products some 21 per cent. Total net sales were down about 25 per cent.

As the report that follows notes, the sharp drop in earnings and sales was triggered by the economic slowdown in industries utilizing nickel-containing materials, especially the steel industry. The weak demand was evident in the Company's two major markets, the United States and Europe, and also in Japan. The comparison of 1971 primary nickel sales with the year before also suffers from the fact that in 1970 customers increased their inventories of primary nickel and there was a buildup of their nickel-containing materials and those of their sub-customers. In 1971, however, faced with weak sales and with ample supplies of nickel, nickel consumers markedly reduced their inventories. Sales in 1971 were also adversely affected by the availability of attractively priced nickel scrap, an inevitable phenomenon in a period of declining demand for our customers' products. Another factor was the loss of sales to competitors, particularly small producers and merchants who sold nickel at reduced prices.

These factors together meant that the percentage reduction of our primary nickel sales was about twice as great as the reduction in the consumption of primary nickel.

The reduction in sales and earnings demanded strong compensatory actions by your management. Capital expenditures were reduced more than \$50,000,000 from our estimate at this time last year, overtime in all but essential functions was eliminated, and employment levels were reduced. The force reductions were carried out as much as possible through attrition and early retirement, but some terminations and layoffs were necessary. In August, production cutbacks were announced, and, by April 1972, production will be at a rate of some 30 per cent less than that planned for 1971.

These actions to reduce operating costs and capital expenditures had to be tempered by

long-term considerations. The basic components of our program to increase our Canadian production capacity were continued. Likewise, active efforts went forward on the Company's projects for future production outside Canada. In these projects, since the fundamental exploration and geological work involving substantial expenditures has largely been completed, reductions in the current expenses could be made without important losses to their progress toward ultimate development. Presently, efforts on these projects are largely oriented toward financing and the evaluation of alternate means of development.

Another development during the year of great importance to the Company and to the Canadian mining industry was the passage of a comprehensive tax reform act in Canada after nearly 10 years of study, discussion and debate. The provisions affecting the domestic mining industry are onerous, although less so than the early proposals. In broad terms, they call for the cancellation of the three-year exemption from tax for new mines and the substitution of earned depletion for percentage depletion in computing a mining company's tax liability. Also, the new taxation program contains features relative to the taxation of income on foreign projects that would put Canadian companies at a severe disadvantage with non-Canadian companies competing for projects in foreign developing countries. While this provision would not be effective until 1976, the hazards of its becoming effective may prohibit the making of commitments by Canadian companies to proceed with construction in the interim. There is considerable hope, however, that amendments affecting this provision will be put forth by the government early in 1972 and remove these competitive deterrents.

The new tax law is expected in the long term to increase the Company's tax burden. However, the impact for the years ahead cannot be assessed until the new regulations are finalized, published and analyzed, and until the related provincial tax policies are determined.

We expect an upturn in nickel sales in 1972, although we do not expect the high level of demand we experienced in 1970. Some early signs of an upturn in sales are apparent. Since the first of the year, orders for rolling mill products have



increased. The price of nickel-containing scrap has moved up, and there has been a firming in the price of nickel offered by nickel merchants.

We expect to see an upturn in the U.S. economy, our largest market, to be followed, after a lag, by an upturn in the economies of other countries. This will increase the demand for nickel. Consumption in 1972 is expected to be about 900,000,000 pounds.

What is more difficult to forecast is how soon and to about what extent this will be translated into increased sales of our own nickel. The answers lie in how sharply the U.S. economy rises, how quickly the world's other nickel-using economies follow, and how rapidly the supply lines of customers will have to be filled. They lie also in our ability to gain back sales from competitors, especially those who have sold or committed themselves to sell at reduced prices.

As the demand for nickel rises, the operative factors that leveraged nickel sales downward begin to operate in reverse and leverage sales upward. In short, the necessity for inventory buildups, together with the intake of proportionately less nickel-containing scrap, can be expected to push sales of primary nickel upward. Thus, it is entirely possible that as consumption increases there will be a transitional period in which sales can, as they have in the past, exceed consumption.

Longer term, we continue to have a strong conviction that nickel consumption, and therefore nickel sales, will rise more rapidly than the growth of the world's economies. We expect this consumption to double in the decade ahead and to approach a 2,000,000,000-pound annual level in the early 1980's. Existing and definable new markets for nickel-containing materials—many of which are discussed in the report—are involved in this conviction.

Thus, the opportunity for growth in sales and recovery in profits is real. The keys to capitalizing on this opportunity lie in the Company's ability to compete efficiently and profitably against established and new nickel producers, in preserving the capability of nickel-containing products to compete against other materials, and in our ability to equip ourselves with the capability for expanded production.

Competitive success will require the best of management abilities in all areas—marketing,

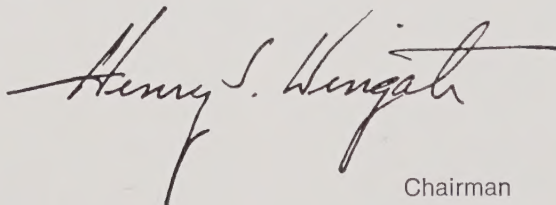
technology, production, finance and general administration, and our public responsibilities.

We have been concentrating on strengthening and maximizing the effectiveness of our management group. This has involved the identification and promotion of competent people from within the organization and also the recruitment from the outside of personnel with special abilities.

On April 19, after the Annual Meeting of Shareholders, I shall cease to serve as Chairman and Chief Officer, giving up my responsibilities as an executive of the Company after an association with our enterprise of over 40 years. The Board of Directors intends to elect L. Edward Grubb as President and Chief Officer, Albert P. Gagnebin as Chairman of the Board and Chairman of the Executive Committee, and James C. Parlee as Vice Chairman. These decisions, reached and made known before the end of 1971, assure an orderly transition headed by Mr. Grubb, a man of proven managerial ability and with a wide variety of experience in the marketing, operating and administrative aspects of our business.

A period of poor results, such as occurred in 1971, while forcing actions we wished we did not have to take, has also required a number of reassessments and hard decisions. It has helped us to uncover areas of high costs and operating and administrative problems, and to evolve constructive solutions. Most importantly, it has created a healthy self-questioning in many areas of our activities of the methods and assumptions which enter into the functioning of our business.

All of this, I believe, bodes well for the future and the strengthening of this Company. As it enters 1972, International Nickel is a leaner, more cost-conscious enterprise. It is one which is better equipped than it was a year ago to develop, supply and compete in the nickel markets of the world.



Chairman

February 17, 1972



## Financial and Operating Results

### Earnings, Sales and Dividends

In 1971, International Nickel's results were substantially below those of 1970, the best year in the Company's history. This is sharply reflected in net earnings, which were \$94,242,000, or \$1.26 a share, in 1971, compared with \$208,591,000, or \$2.80 a share, in 1970. The drop in earnings was caused primarily by a significantly lower volume of primary nickel and rolling mill deliveries. To a lesser degree, earnings were also affected by higher unit costs and other expenses, and by lower prices realized for copper. Partly offsetting these factors were decreased taxes resulting from a 7 per cent reduction in Canada's basic income tax rate, which became effective on July 1, additional tax-exempt income from new mines and a tax refund relating to prior years.

Net sales were \$789,229,000 in 1971, about 25 per cent below the record sales in 1970 of \$1,055,848,000. A summary of net sales in 1971, compared with 1970, is shown below:

	1971	1970
Primary nickel . . . .	\$383,217,000	\$ 577,970,000
Rolling mill products . . . . .	181,963,000	229,402,000
Refined copper . . .	171,594,000	200,554,000
Precious metals . . .	31,088,000	27,602,000
All other . . . . .	21,367,000	20,320,000
	<u>\$789,229,000</u>	<u>\$1,055,848,000</u>

Dividends were \$96,862,000, or \$1.30 a share, in 1971, compared with \$104,230,000, or \$1.40 a share, in 1970. The Company paid quarterly dividends of 40 cents a share in March and June, and 25 cents a share in September and December. No year-end extra dividend was paid.

### Deliveries of Metals

Total deliveries of nickel in all forms were 342,450,000 pounds in 1971, a decline of 176,420,000 pounds, or 34 per cent, from 518,870,000 pounds in 1970. This decline was attributable to lower primary nickel consumption resulting from a lack of buoyancy in the economies of the major industrial nations. The decline was aggravated by the use of a higher percentage of nickel-containing scrap, coupled with a reduction of primary nickel inventories by consumers in North America and Europe, the Company's two largest markets. Additionally, the Company was faced with conditions of oversupply and increased competition within the world nickel industry and lost sales to competitors, primarily small producers and merchants who sold nickel at lower prices.

Deliveries of the Company's copper (ORC brand) were 340,300,000 pounds in 1971, which were only slightly below the 348,100,000-pound record level in 1970. About half of this copper was delivered in Canada and most of the balance was marketed in Europe.

Deliveries of platinum-group metals in 1971 were well above 1970 levels.







### Deliveries of Metals

	1971	1970
Nickel (pounds)	342,450,000	518,870,000
Copper (pounds)	340,300,000	348,100,000
Platinum-group metals* and gold (troy ounces)	437,400	387,700
Silver (troy ounces)	1,743,000	1,051,000
Cobalt (pounds)	1,980,000	1,980,000
Iron ore (long tons)	796,000	670,000

\*Platinum, palladium, rhodium, ruthenium and iridium.

The Company's metal deliveries in 1971, compared with 1970, are shown at the left.

### Prices

Throughout 1971, the Company's primary nickel prices remained for the most part at the levels established in October 1970. Electrolytic nickel continued to be sold at \$1.33 a pound, and refined nickel pellets produced at the Company's Clydach, Wales, refinery continued to be sold at £1,246.50 a metric ton.

Reflecting the worldwide decline in the price of copper, the Company sold its copper at an average price of 8 cents less a pound in 1971 than in 1970. In Canada, where the Company delivered about half of its copper in 1971, the price declined in January from 54.00 cents to 51.00 cents (Can.) a pound. In March, the Company's price in Canada was increased to the Canadian equivalent of 52.75 cents a pound, the United States producer price. In November, it was reduced to the Canadian equivalent of the U.S. producer price of 50.25 cents a pound.

Almost all of the remainder of the Company's copper was marketed in Europe, at prices based on the London Metal Exchange wirebar settlement price. During 1971, this price ranged from a high of £536.50 a metric ton—59.2 cents (Can.) a pound—to a low of £394.0—44.7 cents (Can.) a pound.

Prices for platinum-group metals were generally lower than in recent years. The average published price for platinum decreased in January 1971 from

\$132.50 a troy ounce to \$122.50. Palladium increased from \$37 to \$38 in May, and fell back to \$37 in November. Rhodium decreased from \$207.50 to \$202.50 in January 1971, and to \$197.50 in July.

### Inventories

Total inventories were \$465,448,000 at year end, an increase of nearly \$180,000,000 compared with December 31, 1970. Most of the increase was in finished and in-process nickel. Through midsummer the Company maintained a high rate of production in order to replenish depleted inventories and in anticipation of increasing demand. As deliveries failed to live up to expectations, the inventory accumulation became excessive and necessitated the Company's program, announced in August, to curtail production. At year end, the Company's nickel inventories were still growing, although at a slower rate. The further production cutback announced in January 1972 was designed to stop this growth.

### Capital Expenditures

The 1971 capital expenditures, which were originally estimated to be \$300,000,000, were reduced starting in mid-year to \$244,234,000. This amount is \$28,000,000 below expenditures in 1970, but is still the second highest in the Company's history. This reduction was made because of disappointing nickel deliveries, decreased cash flow,





*The converter aisle of the Thompson, Manitoba, smelter.*

and the desirability of limiting external financing. The reduced capital program for 1971 reflected the cancellation, postponement or stretch-out of capital projects and was carried out in a manner that would have a minimal effect on the Company's ongoing program to expand and modernize its Canadian nickel production capacity. While there were capital expenditure reductions at all locations, the largest was the postponement of the program to expand the Company's iron ore recovery plant and the cancellation of plans to construct an associated sulphuric acid plant.

Capital expenditures, compared with the previous year, were:

Mines	1971	1970
Ontario .....	\$ 69,158,000	\$ 73,336,000
Manitoba .....	12,577,000	29,671,000
Plants		
Ontario .....	119,406,000	112,504,000
Manitoba .....	4,077,000	7,464,000
United Kingdom .	2,321,000	6,647,000
Rolling Mills		
United States ...	13,141,000	17,300,000
United Kingdom .	2,047,000	1,699,000
Other		
Canada .....	2,289,000	800,000
United States ...	1,273,000	4,824,000
Other Countries .	17,945,000	18,220,000
Totals .....	<u>\$244,234,000</u>	<u>\$272,465,000</u>

### External Financing

During the year the Company borrowed \$287,088,000 to meet its cash needs, principally for capital expenditures and the buildup of inventories. Of this amount, \$180,350,000 was added to long-term debt, and the balance of \$106,738,000 was in short-term obligations. At December 31, 1971, the Company's long-term debt (less the amount due within one year) was \$453,899,000, representing 30 per cent of total capitalization, compared with \$286,660,000 and 21 per cent, respectively, on December 31, 1970.



## Production

*The headframe of Pipe No. 2 shaft in the Thompson area, where shaft sinking is under way.*



**P**roduction of nickel for the year, despite cutbacks first announced in August, was only moderately below the 1970 figure of about 500,000,000 pounds. The 1971 level reflects increased capacity and a high level of production and employment in the first three quarters of the year. When the cutbacks become fully effective in April 1972, the rate of production will be some 30 per cent less than the 1971 planned level.

The production cutbacks were accomplished, as much as possible, by suspending or reducing production at mines with lower grades of ore or higher operating costs, while, at the same time, minimizing the effect upon the production of copper and platinum-group metals. The program also included suspension or reduction of operations at selected surface facilities. These mines and surface facilities were placed on a standby basis so that full production, when required, can be resumed with a minimum of delay.

### Mines

The Company mined 28,200,000 wet short tons of ore in 1971, compared with 28,300,000 tons in 1970.

When the production cutback announced in January 1972 is fully effective in April, there will be 15 mines in full or partial production and 3 on a standby basis. A nineteenth mine, Shebandowan in northwestern Ontario, is expected to be producing before the end of 1972.

In 1973, International Nickel will have at its

Canadian facilities an ore-handling capacity of 150,000 wet short tons a day and a primary nickel production capacity of about 600,000,000 pounds a year. To maintain this capacity in the future, the Company has an ongoing program to develop new mines to replace those that become depleted.

### Surface Facilities

The new Clarabelle concentrator, which is capable of treating 35,000 tons of ore a day, became operational in November. It not only increased the Company's milling and concentrating capacity in the Sudbury area by 9,000 tons a day, but also replaced the Copper Cliff mill's older and less efficient ore receiving, crushing and grinding facilities. The flotation section of the Copper Cliff mill remains, however, in operation for upgrading and for copper-nickel separation of primary concentrates.

Construction continued on the Shebandowan concentrator, which is scheduled for completion in 1972. It will have a capacity of 2,500 tons daily, and raise the Company's total concentrating capacity to 94,000 tons of ore a day.

In 1971, limited commercial production of S-Nickel Rounds, a new Inco-developed form of electrolytic nickel for the plating industry, began at the Company's Port Colborne, Ontario, nickel refinery. Full production of this primary nickel form is expected in late 1972.

Construction of a \$3,600,000 foundry additives plant at Port Colborne began in 1971. When

*The crushing plant of the Clarabelle milling and concentrating complex, which began operations late in 1971. The facility's flotation cells are shown in the inset.*







*The new nickel refinery at Copper Cliff, Ontario, which is expected to be completed in 1973.*



completed in the spring of 1972, the plant will supply "F" Nickel shot, nickel-magnesium additives, and new and improved nickel-containing additives for industry.

At the Company's Clydach nickel refinery, modernized primary nickel extraction facilities began operations in 1971, and obsolete facilities were retired.

At the Copper Cliff copper refinery, a new melting unit, known as a vertical shaft furnace, and other auxiliary equipment were installed, increasing the refinery's efficiency and capacity.

Strikes by the contractors' workers, as well as difficulties encountered by the contractor in the fabrication of major components, delayed construction of the 125,000,000-pound-a-year nickel refinery at Copper Cliff, which is now expected to be completed in 1973.

In the production cutback program, the Creighton mill was closed down, and in April 1972, the Coniston smelter will also be closed down.

### **Environmental Control**

The Company's policy is to achieve acceptable environmental objectives wherever it operates. The planning of new facilities and its ongoing operations are under constant review in cooperation with the relevant governmental agencies.

In the Sudbury area, the Company moved ahead on a broad program to improve air and water quality and to reclaim and convert to grasslands

its tailings areas. Since 1952, Inco has recovered from its plant gases large amounts of sulphur in the form of sulphuric acid and liquid sulphur dioxide. To provide further improvement in air quality, the Company began construction in 1969 of a new 1,250-foot chimney at Copper Cliff. This facility, which was later included in the Ontario Government's Ministerial Order issued to the Company in July 1970, will provide a level of air quality in the Sudbury area superior to the standards set by the Ontario Government. The chimney and its associated gas-cleaning facilities, costing \$25,000,000, will become operational in the late summer of 1972. Its completion was delayed by strikes in the construction industry and by design revisions to the chimney liner.

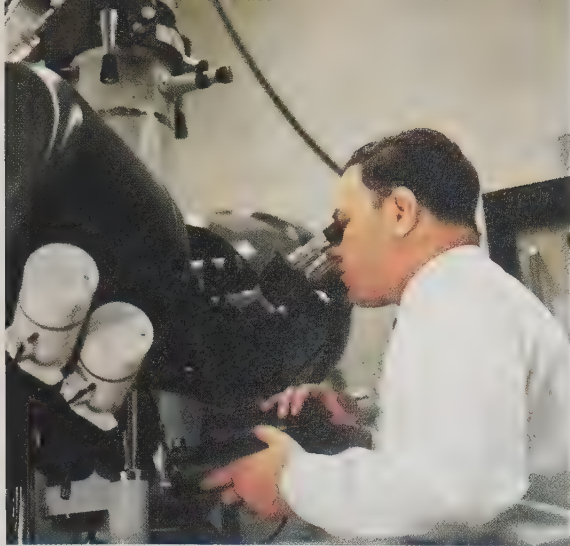
The Company continued in 1971 to increase recycling of process water in its program to improve water quality in the Sudbury District. Recycled water now accounts for 75 per cent of the 130,000,000 gallons it uses daily at this site.

As a major part of a \$10,000,000 program for purification, distribution and storage of water, a new 15,000-gallon-a-minute water purification plant is scheduled to go on-stream in 1973 to serve Inco's operations as well as the growing needs for potable water in the towns of Creighton, Lively and Copper Cliff.

At its new mine and mill at Shebandowan, the Company will recycle practically all process water.

In its ongoing program to reclaim tailings disposal areas, the Company during the year





*A process research metallurgist uses an electron microprobe to analyze an ore sample at the J. Roy Gordon Research Laboratory.*

brought the total area converted to grasslands to over 700 acres.

At its Clydach refinery in Wales, the Company began construction of a new plant to treat effluent water. The plant, built to meet Government standards, will replace existing facilities, and will go on-stream in 1973 at a cost of over \$2,000,000.

#### **Potential Production Outside Canada**

During 1971, the principal areas of the Company's overseas exploration and development efforts continued to be Indonesia, New Caledonia, Guatemala and Australia.

In Indonesia, the Company successfully completed a large portion of the extensive exploration program begun in 1968. In June, P.T. International Nickel Indonesia, the Company's wholly owned Indonesian subsidiary, confirmed the location of a significant lateritic deposit in the Soroako area of the island of Sulawesi. A feasibility study was initiated, and is nearly completed, looking toward the development of this deposit as the initial stage of a major nickel-producing project. The first phase will involve the construction of a processing plant in Indonesia to treat the Soroako ores. Currently, activities are under way related to the planning and financing of this phase of the project, including discussions with Japanese interests regarding their possible participation as shareholders in the operating company. The Contract of Work with the Indonesian Government

calls for Indonesians to be offered shares in the company after it has commenced operations.

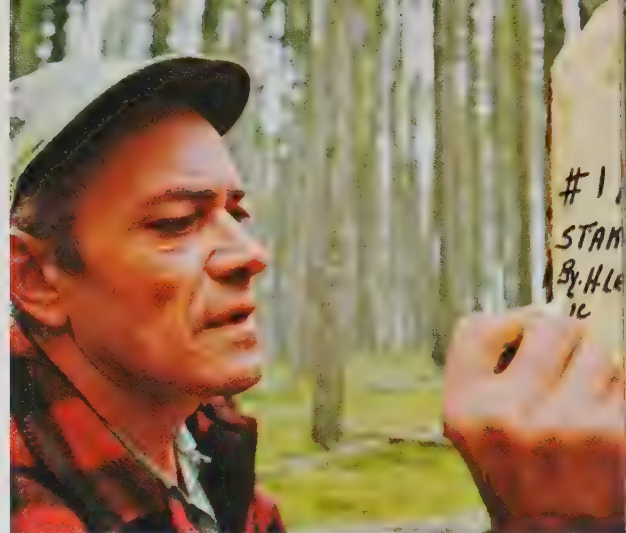
During the year, it became apparent that Inco's French partners in the Cofimpac project, involving the large-scale development of lateritic deposits in southern New Caledonia, were, for a number of reasons, not prepared to move ahead with the project. Furthermore, it had not been possible to reach an agreement with the French Government regarding an acceptable mining domain. For these reasons, the Cofimpac project could not be realized. As a consequence, and at the French Government's suggestion, the Company began new discussions with the Government concerning a possible alternative development of nickel deposits on New Caledonia in stages and involving a much smaller initial operation. It could include participation of French and other European interests, as well as Inco.

The Company's subsidiary in Guatemala, Exploraciones y Explotaciones Mineras Izabal, S.A. (Exmiba!), which is owned 20 per cent by The Hanna Mining Company, continued its efforts to find a viable basis for financing the development of the lateritic ore body in the Lake Izabal area. Current efforts center on obtaining adequate financing, on which the project depends, from international and regional financial institutions.

The Company's wholly owned Australian subsidiary, International Nickel Australia Limited, working jointly with The Broken Hill Proprietary Company Limited (BHP), continued economic and



*A member of an Inco exploration team stakes a claim in northern Ontario.*



engineering assessments of a proposal to develop lateritic nickel deposits near Rockhampton, Queensland. The Company, also in conjunction with BHP, continued to investigate the feasibility of developing a sulphide nickel deposit near Widgiemooltha, Western Australia.

The Company's United States subsidiary, The International Nickel Company, Inc., continued to investigate low-grade sulphide copper-nickel deposits in northeastern Minnesota.

### **Exploration**

International Nickel spent \$32,904,000 on exploration for nickel and other minerals in 1971, compared with \$31,889,000 in 1970.

Some 64 per cent of the Company's exploration expenditures in 1971 were made in Canada, about the same as in 1970.

Exploration was carried out on Inco's properties in the Sudbury and Shebandowan areas of Ontario, and in the Thompson area of Manitoba. Important new tonnages of ore were defined by underground drilling at the Company's properties in the Sudbury and Thompson areas. This exploration proved up more new ore of comparable grade than that mined in 1971.

Field exploration was maintained in other parts of Ontario and Manitoba, and in Quebec, British Columbia and the Northwest Territories.

Outside of Canada, field exploration was carried out in New Caledonia, Indonesia, Australia, New Guinea, Africa, the United States, and elsewhere.

The Company continued its extensive laboratory and pilot plant program relating to process development and process evaluation of both sulphide and oxide ores. Its United States subsidiary, The International Nickel Company, Inc., established an ocean development office to pursue the investigation of deep-sea nodules as a potential source of nickel.

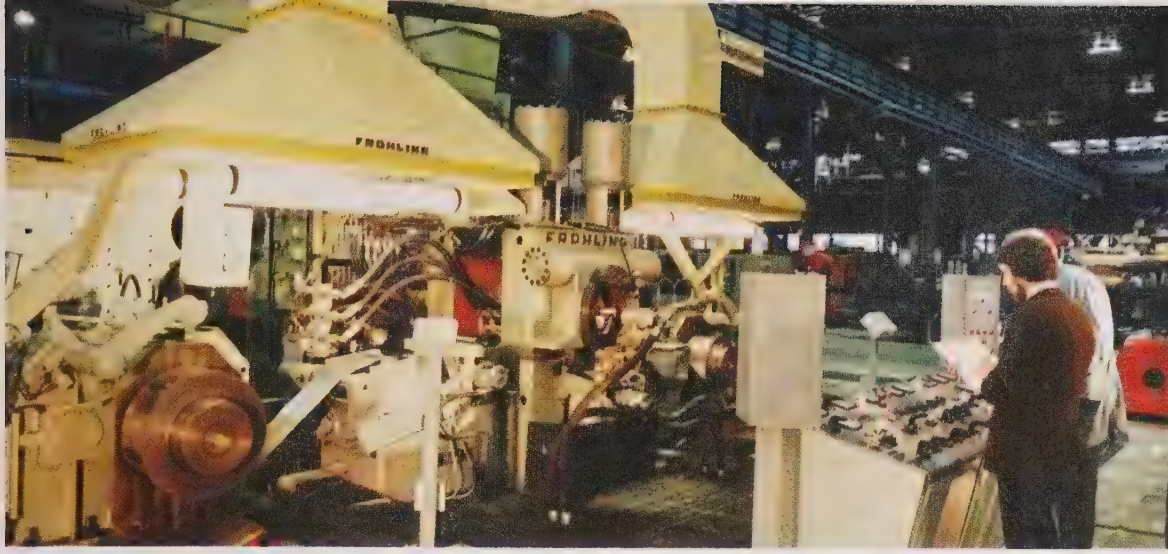
### **Ore Reserves**

On December 31, 1971, the Company had proven ore reserves in Canada of 387,000,000 dry short tons, containing 12,600,000,000 pounds of nickel and 8,000,000,000 pounds of copper. On December 31, 1970, the Company had 383,300,000 dry short tons of proven ore reserves that contained 12,500,000,000 pounds of nickel and 7,900,000,000 pounds of copper.

In accordance with its standard practice, the Company reports as proven ore reserves only blocks of ore that have been defined by drilling and sampling in sufficient detail to permit calculation of the number of tons of ore and its nickel and copper content.

The Company does not include in its proven ore reserves large tonnages of drilled low-grade mineralization that contributes to each year's metal production, but qualifies as ore only at the time it is mined; nor do the reserves include very large tonnages of proven metal contained in oxide deposits located outside Canada.





*The new cold-rolling strip mill at Henry Wiggin & Company Limited, Hereford, England.*

### **Rolling Mill Operations**

Total net sales of the Company's two rolling mills, the Huntington Alloy Products Division in the United States and Henry Wiggin & Company Limited in the United Kingdom, fell sharply in 1971. They totaled \$181,963,000, compared with \$229,402,000 in 1970, a decline of some 21 per cent.

Rolling mill products accounted for about 23 per cent of the Company's total sales in 1971. Sales of the Huntington Division declined steadily through the first three quarters, but made a modest recovery in the fourth quarter. Sales of Wiggin remained strong during the first three quarters, but dropped significantly in the fourth quarter.

The Huntington Division neared completion in 1971 of its 10-year program to modernize and expand its production facilities. It is scheduled to be completed early in 1972, when the Division's new rod and bar mill goes into full production.

Wiggin completed installation of a new cold-rolling strip mill, which will provide customers with wider strip to closer tolerances.

Both mills significantly improved their melting capabilities in 1971. Huntington installed a new argon-oxygen converter and Wiggin installed a new vacuum refining furnace of advanced design.

One of Wiggin's largest customers, Rolls-Royce Limited, went into receivership in February 1971 with an unpaid debt to Wiggin of \$2,726,880. A provision has been made against the Company's 1971 earnings to cover half of the amount. However, some portion of the amount that has been written

off may eventually be recovered. After a brief interruption, Wiggin's sales to the successor company, Rolls Royce (1971) Limited, on a prompt payment basis, and to its subcontractors have reached levels attained prior to receivership.



## Nickel Consumption

Consumption of primary nickel in the non-Communist world is estimated at 825,000,000 pounds in 1971, down about 15 per cent from the record level of 975,000,000 pounds in 1970. Consumption in 1970 was above the average long-term annual growth rate, while in 1971 it was well below. The 1971 drop was caused by the economic slowdown in industries utilizing nickel-containing materials, especially the steel industry. The drop also reflected the working-off of finished and semi-finished inventories that had been built up the year before and the proportional increased use of nickel-bearing scrap in the production of nickel-containing materials.

Nickel consumption during the past five years was as follows (in millions of pounds):

1971 .....	825
1970 .....	975
1969 .....	845
1968 .....	840
1967 .....	810

Consumption in 1967, 1968 and 1969 was severely limited by a shortage of supply. The end of the shortage was reflected in the marked upsurge in 1970.

The decline in 1971 affected virtually every geographical area, although percentage by area was basically unchanged from 1970. For the third consecutive year, Western Europe was the leading area. The most recent estimates of

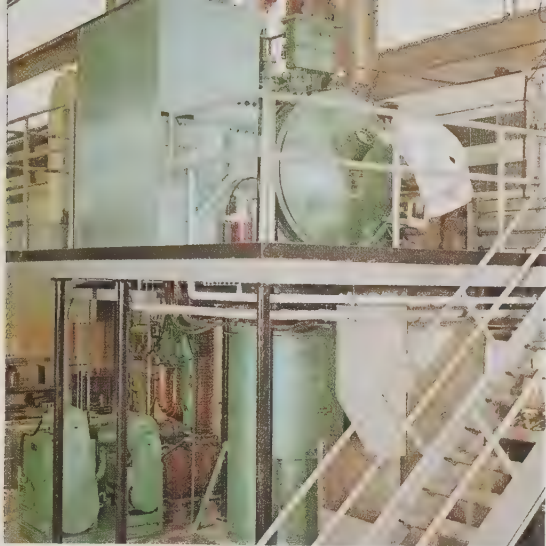
nickel consumption by geographical area are (in millions of pounds):

	1971	%	1970	%
Western Europe (including the United Kingdom) .....	327	40	376	39
United States .....	273	33	330	33
Japan .....	172	21	202	21
Canada .....	24	3	33	3
Australia .....	9	1	9	1
Latin America .....	8	1	7	1
Other Non-Communist Countries .....	12	1	18	2
	825	100	975	100

A preliminary estimate of the consumption of nickel by nickel-containing products shows that nickel plating, which cannot use nickel-containing scrap, was the only category of nickel usage to register an increase in 1971, and it was only marginally higher than in 1970. It moved to second place, ahead of high-nickel alloys, which had ranked second in 1969 and 1970. Other product areas retained their 1970 relative positions. Estimated consumption figures by nickel-containing products are (in millions of pounds):

	1971	%	1970	%
Stainless Steels .....	338	41	402	41
Nickel Plating .....	131	16	129	13
High-Nickel Alloys .....	99	12	132	14
Constructional Alloy Steels...	82	10	106	11
Iron and Steel Castings.....	75	9	85	9
Copper and Brass Products..	25	3	32	3
All Others .....	75	9	89	9
	825	100	975	100





*The vacuum melting furnace and atomization chamber used for the study of high-nickel superalloys for gas turbines, which were installed in 1971 at the Paul D. Merica Research Laboratory.*

There was little significant change in the end-use markets for nickel-containing products in 1971. Consumer and institutional products again led the list. Petroleum gained slightly, compared with other markets, while the automotive and electronic industries declined slightly. The principal end-use markets, compared with 1970, are estimated to be:

	1971 %	1970 %
Consumer and Institutional Products ..	17	16
Machinery and Transportation .....	13	14
Automotive .....	11	12
Petroleum .....	9	8
Electronic .....	8	9
Chemical .....	8	8
Process .....	7	7
Aircraft .....	7	6
Energy Conversion .....	5	4
Marine .....	3	3
Building and Construction .....	3	3
Coinage .....	1	2
All Others .....	8	8
	100	100

**Product Research and Development**

In 1971, Inco's product research laboratories in Birmingham, England, and Sterling Forest, New York, placed emphasis on new and improved nickel products with near-term sales opportunities.

In the area of powder metallurgy, design-engineering data developed by Inco metallurgists helped sintered nickel steels gain additional markets in components for automobiles, tractors and major consumer appliances.

Low-carbon age-hardenable nickel steels—which combine strength, enhanced fabricability, and toughness at low temperatures—were evaluated for use in large tonnages in pipelines, offshore platforms and ship components. They are already in successful use in rail transit cars, hydroelectric generators and construction equipment.

Two new nickel-base cast alloys were introduced to the gas turbine industry. The first—IN-738, containing 60 per cent nickel—possesses excellent high-temperature creep-rupture strength combined with hot corrosion resistance superior to that of many present-day high-strength superalloys. The newest of the alloys, IN-792, contains 61 per cent nickel and offers further improvements in high-temperature strength with similar good hot corrosion resistance. Both alloys can be used for turbine blades in aircraft and industrial applications, and for integral wheels used in small gas turbines.

Mechanically alloyed nickel-base superalloys, strengthened by a combination of dispersed oxide and gamma prime precipitates, were produced under pilot plant conditions. Applications foreseen for these alloys include blades, vanes and sheet components in gas turbines.

Special nickel-magnesium additives for the smokeless treatment of ductile iron reached an advanced stage of development. They are designed to help foundries comply with air pollution standards being set by regulatory agencies.



Today, in a period of greatly intensified marketing activity, just as in the past, a simple premise underlies Inco's market-building strategy: Nickel by itself has comparatively few uses. Its large-tonnage applications are to be found in combination with other materials. Therefore, to create major nickel markets, Inco works to create and expand markets for materials that contain nickel.

The Company's product research metallurgists, application engineers, and marketing specialists work together as a team in this effort to stimulate nickel consumption. The information they develop about nickel-containing materials and applications is conveyed to a great variety of specialized audiences through advertisements, engineering periodicals, application brochures, technical data books, and promotional literature. This informational material, produced in many languages and widely disseminated in the key industrial areas of the world, helps to enhance the knowledge and use of nickel-containing materials by designers, engineers, architects, and manufacturers.

A sampling of the material published in 1971 to promote Inco nickel and nickel applications generally is shown on these pages.









*An application engineer from Inco's Detroit District Office consulting with the chief metallurgist of a major automobile manufacturer's bumper plant.*



A new high-strength 50 per cent nickel-chromium alloy, IN-657, was introduced for use as castings in furnaces and boilers where operation under unusually severe corrosive conditions is required.

A new 30 per cent nickel-iron alloy, IN-698, was introduced for use as shafts and piston heads in aircraft and diesel engines, and for other general engineering uses where a combination of high strength and low expansion is needed.

### **Market Development**

While the Company continued to promote Inco nickel and nickel applications generally, it concentrated its efforts in 1971 on those markets that are expected to feel most greatly the effects of economic recovery.

It is expected that economic recovery will increase the demand for nickel-containing materials as the petroleum, chemical, textile and process industries resume expansion of their production facilities. Stainless steels and nickel alloys resistant to heat and corrosion will find increased usage in these traditional applications. Additionally, they will be utilized to meet new and more demanding requirements in new processes and to provide the longer maintenance-free operating service that is increasingly demanded by industry.

During the year, Inco's market development organization continued major efforts to promote the use of high-strength steels and stainless steels for structural applications, for the Company believes

that the long-term upward trend in construction is creating favorable market opportunities for these higher performance materials.

Special emphasis was placed, too, on developing market opportunities arising from the need to produce more energy and to reduce environmental pollution. Among these opportunities are:

High-nickel alloys, stainless steels and copper-base alloys for nuclear generating plants, which provide a low-pollution energy system.

Gas turbines, a low-pollution energy system for electric generators and vehicles, which contain many high-nickel alloy components.

Cryogenic containers for storing and transporting liquefied natural gases, which use 9 per cent nickel steel, nickel stainless steels, and a 36 per cent nickel-iron alloy.

Thermal and catalytic reactors, which control emissions from automotive vehicles, and which use nickel stainless steels and nickel-base alloys.

In the automotive and consumer products markets, which best resisted the downward economic trend during the year, the Company promoted nickel plating and stainless steels. It continued to emphasize to automotive designers the sales value of bright trim, particularly on bumpers. Programs to relate stainless steel and nickel plating to consumer values were directed to manufacturers and to professional groups that influence homemakers in their purchasing decisions.



## Corporate Organization



*L. Edward Grubb*

*Albert P. Gagnebin*

*James C. Parlee*

### Changes

**O**n February 7, 1972, David W. Barr, President and a Director of Moore Corporation, Limited, Toronto, was elected a Member of the Board of Directors.

Mr. Barr's election fills the vacancy on the Board occasioned by the death of R. Samuel McLaughlin.

In November 1971, Henry S. Wingate, Chairman and Chief Officer of the Company since 1960, announced that he would retire as an executive officer of the Company, following the Annual Meeting on April 19, 1972. Mr. Wingate has served as a Director since 1942. He will stand for reelection to the Board along with the other Directors whose terms of office expire at the Annual Meeting, and has been designated as Chairman of the Advisory Committee of the Company.

Also in November, the Board of Directors, to facilitate the Company's internal future planning, expressed its intention of electing the following officers on April 19:

As President and Chief Officer—L. Edward Grubb, now Executive Vice President and a Director and a Member of the Executive and Advisory Committees. Prior to assuming his present direct responsibility for all operations in Canada, Mr. Grubb had been Chairman of the Company's United Kingdom subsidiary, International Nickel Limited, and of its affiliate, Henry Wiggin & Company Limited. Earlier,

Mr. Grubb had major responsibilities in operations and labour relations, and for primary nickel and mill products commercial activities in the United States.

As Chairman of the Board of Directors—Albert P. Gagnebin, now President and a Director and a Member of the Executive and Advisory Committees. Mr. Gagnebin, who joined International Nickel in 1932, has been a Director since 1965 and President of the Company since 1967. Mr. Gagnebin will also become Chairman of the Executive Committee.

As Vice Chairman of the Board of Directors—James C. Parlee, now Senior Executive Vice President and a Director. Mr. Parlee, who joined the Company in 1933, has been a Director since 1965 and Senior Executive Vice President since 1967.

The Board of Directors has also adopted a policy for the future prescribing mandatory retirement from executive office at age 65.

In April 1971, Kenneth A. DeLonge was elected a Vice President of the Company. He had been a Vice President of the Company's United States subsidiary, The International Nickel Company, Inc. He has been with the Company for 35 years.

In June, Richard A. Cabell, in assuming changed responsibilities, became the Secretary of the Company as well as Vice President and relinquished his title of Executive Vice President. As Secretary,



Mr. Cabell succeeded William F. Kennedy who retired after having served the Company for 26 years.

In November, Harry Bowler, in assuming changed responsibilities, became the Comptroller of the Company and relinquished his title of Treasurer. As Comptroller, Mr. Bowler succeeded W. John Gould who retired as Comptroller after serving the Company for 34 years.

At the same time, Charles F. Baird, Vice President—Finance, the Company's chief financial officer, was elected to the additional office of Treasurer.

In December, after 45 years of service with International Nickel, John O. Hitchcock retired as a Vice President of the Company.

On February 7, 1972, L. Edward Grubb was elected a Member of the Executive Committee.

Since the last Annual Meeting of Shareholders, Lance H. Cooper, M.B.E.; H. R. McMillan, C.B.E., C.C.; and J. C. Traphagen have retired as Members of the Advisory Committee of the Company. All had previously been Members of the Board of Directors. The Board and management are grateful for their long and valued support as Members of the Advisory Committee.

Norris R. Crump, L. Edward Grubb, and Donald H. McLaughlin, Directors of the Company, have been elected to membership on the Advisory Committee.

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On January 6, 1972, R. Samuel McLaughlin passed away at the age of 100. Mr. McLaughlin was the Company's senior and a most distinguished Director, and Chairman of the Advisory Committee. He was founder and first President of General Motors of Canada, Ltd., and was serving as Chairman at the time of his death.

On the "auspicious and historic occasion" of Mr. McLaughlin's 100th birthday on September 8, 1971, the Board, at a meeting in Copper Cliff, paid tribute to "Mr. Sam" for his "illustrious career in Canada and his outstanding support and guidance to this Company," not only in his service as a Director for over 38 years, but also for his many years of active service on the Committees of the Company and as a Trustee of the Company's Retirement System and Pension Plans.

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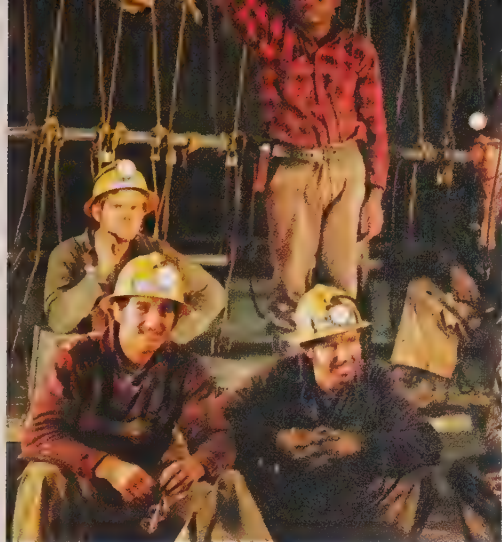
#### **Industrial and Personnel Relations**

The year 1971 passed without any major work stoppage by the Company's employees.

In April and November, the Company again held conferences in Canada with officials of the United Steelworkers of America. The Company and union announced that these meetings had provided a useful means of exchanging views and exploring problems. They agreed to hold similar meetings after a new contract is negotiated. The contract for the Ontario Division expires July 9, 1972.

The Company announced that it will have a three-week vacation shutdown of operations in its Ontario Division commencing July 31, 1972.





*Miners prepare to change in a "dry" after a shift at the Thompson mine.*

Contract settlements were successfully concluded during the year at a number of locations in the United Kingdom and the United States.

In December 1971, Henry Wiggin & Company Limited entered into its first agreement with the Association of Scientific, Technical and Managerial Staffs. The agreement runs until June 30, 1972. Also at Wiggin, the Company and the unions representing production and craft employees successfully concluded negotiations in December under the second of two annual reopener clauses included in the labour agreements of 1970.

Labour agreements with both the production and the craft unions at the Company's Clydach refinery expire March 31, 1972.

In the United States, the Company's Huntington Alloy Products Division and the United Steelworkers of America successfully negotiated a one-year wage settlement, effective January 15, 1972, under a wage reopener clause covering the Division's employees at Huntington, West Virginia.

## **Employees**

During the year, the necessity to reduce production and operating costs forced a reduction in employment levels at all Company locations. This affected both salaried and hourly paid employees, and involved some layoffs, releases and a number of early retirements. A significant portion of the reduction was accomplished through attrition.

From a peak level in mid-1971, through December 31, 1971, the Company's active employment level

was reduced by about 2,100. It is expected to decline further during the first half of 1972. In addition, there has been a substantial reduction in the number of contractor employees doing mine development work. On December 31, 1971, the Company had 36,089 employees: 26,840 in Canada; 4,836 in the United Kingdom; 3,904 in the United States; and 509 elsewhere. On December 31, 1970, the Company had 37,313 employees.

During the year, the Company decided to dispose of its residential and commercial properties in the Sudbury area to a subsidiary company for the orderly management of its real estate affairs. This subsidiary company is planning to sell some 1,800 units to employees. Present tenants will have the option to purchase the homes in which they reside. The Sudbury District is the only area of operations where the Company holds substantial rental and commercial properties.

## **Shareholders**

On December 31, 1971, the Company had 92,217 shareholders of record, compared with 84,320 on December 31, 1970. The Company's record of shareholders shows that 61 per cent have addresses in Canada, 37 per cent in the United States, and 2 per cent elsewhere. United States residents of record hold 49 per cent of the shares outstanding, Canadian residents 38 per cent, and residents of other countries 13 per cent.



# Consolidated Statement of Earnings and Retained Earnings

FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

Expressed in United States Currency

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED  
and wholly owned subsidiaries

	1971	1970
<b>Net sales</b> (Note 2) .....	\$ 789,229,000	\$1,055,848,000
<b>Costs and expenses</b>		
Costs .....	526,325,000	620,154,000
Selling, general and administrative expenses (Note 3) .....	63,501,000	52,998,000
	<u>589,826,000</u>	<u>673,152,000</u>
<b>Operating earnings before items shown below</b> .....	199,403,000	382,696,000
<b>Other income</b> (Note 4) .....	10,639,000	11,119,000
	<u>210,042,000</u>	<u>393,815,000</u>
<b>Other expenses</b>		
Depreciation and depletion (Note 5) .....	50,559,000	37,633,000
Interest expense (Notes 6 and 7) .....	33,903,000	17,074,000
Retirement system and pension plans (Note 8) .....	8,203,000	9,426,000
Income taxes (Note 9) .....	23,135,000	121,091,000
	<u>115,800,000</u>	<u>185,224,000</u>
<b>Net earnings</b> .....	94,242,000	208,591,000
<b>Retained earnings at beginning of year</b> .....	897,589,000	793,228,000
	<u>991,831,000</u>	<u>1,001,819,000</u>
<b>Dividends paid</b> (\$1.30 per share in 1971; \$1.40 per share in 1970) ..	96,862,000	104,230,000
<b>Retained earnings at end of year</b> .....	<u>\$ 894,969,000</u>	<u>\$ 897,589,000</u>
Net earnings per share (based on weighted average number of shares outstanding). ....	\$1.26	\$2.80

The explanatory financial section on pages 25 through 28 is an integral part of this statement.



# Consolidated Balance Sheet

AT DECEMBER 31, 1971 AND 1970

Expressed in United States Currency

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED  
and wholly owned subsidiaries

	1971	1970
<b>Current assets</b>		
Cash .....	\$ 23,332,000	\$ 20,533,000
Marketable securities (Note 10) .....	77,994,000	147,632,000
Accounts receivable, less allowance for doubtful accounts .....	131,413,000	161,679,000
Inventories (Note 11) .....	465,448,000	286,422,000
Prepaid expenses .....	2,997,000	3,789,000
Total current assets .....	701,184,000	620,055,000
<b>Other assets</b>		
Miscellaneous securities (Note 10) .....	32,055,000	30,466,000
Charges to future operations .....	9,593,000	9,117,000
	41,648,000	39,583,000
<b>Property, plant and equipment</b> (Note 5) .....	1,929,852,000	1,703,038,000
Less—Accumulated depreciation and depletion (Note 5) .....	577,931,000	535,319,000
	1,351,921,000	1,167,719,000
Total assets .....	\$2,094,753,000	\$1,827,357,000
<b>Current liabilities</b>		
Accounts payable and accrued expenses .....	\$ 158,092,000	\$ 154,742,000
Long-term debt due within one year (Note 6) .....	13,111,000	—
Notes payable and other obligations (Note 7) .....	106,738,000	—
Income taxes payable (Note 9) .....	35,976,000	89,482,000
Total current liabilities .....	313,917,000	244,224,000
<b>Other liabilities</b>		
Long-term debt (Note 6) .....	453,899,000	286,660,000
Deferred income taxes (Note 9) .....	238,400,000	202,000,000
Pension plans (Note 8) .....	11,682,000	12,343,000
Insurance, operating purposes and exchange (Note 12) .....	25,437,000	29,595,000
	729,418,000	530,598,000
<b>Shareholders' equity</b>		
Common shares (Note 13) .....	95,413,000	93,910,000
Authorized 90,000,000 shares without nominal or par value, issued 74,522,663 shares (1970—74,473,563 shares)		
Capital surplus (Note 14) .....	61,036,000	61,036,000
Retained earnings .....	894,969,000	897,589,000
	1,051,418,000	1,052,535,000
Total liabilities and shareholders' equity .....	\$2,094,753,000	\$1,827,357,000

The explanatory financial section on pages 25 through 28 is an integral part of this statement.

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

HENRY S. WINGATE }  
ALBERT P. GAGNEBIN } DIRECTORS



# Consolidated Statement of Changes in Financial Position

FOR THE YEARS ENDED DECEMBER 31, 1971 AND 1970

Expressed in United States Currency

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED  
and wholly owned subsidiaries

	1971	1970
<b>Financial resources were provided by:</b>		
Earnings from operations .....	\$ 94,242,000	\$208,591,000
Add income charges not affecting working capital in the period:		
Depreciation and depletion .....	50,559,000	37,633,000
Deferred income taxes .....	36,400,000	42,200,000
Retirement system and pension plans .....	8,203,000	9,426,000
Provisions for insurance and operating purposes .....	2,214,000	4,542,000
Other items (net) .....	6,707,000	8,012,000
Working capital provided by operations for the period .....	198,325,000	310,404,000
Proceeds from issuance of long-term debt (net) .....	167,239,000	102,346,000
Other items (net) .....	5,116,000	(6,835,000)
Total .....	370,680,000	405,915,000
<b>Financial resources were used for:</b>		
Additions of property, plant and equipment .....	244,234,000	272,465,000
Dividends paid to shareholders .....	96,862,000	104,230,000
Payments of pension benefits and contributions to Trustees .....	9,045,000	9,101,000
Charges to liability for operating purposes .....	9,103,000	563,000
Total .....	359,244,000	386,359,000
<b>Increase in working capital .....</b>	<b>\$ 11,436,000</b>	<b>\$ 19,556,000</b>

## Analysis of Changes in Working Capital

### Increase (decrease) in current assets

Cash .....	\$ 2,799,000	-\$ (3,475,000)
Marketable securities .....	(69,638,000)	11,133,000
Accounts receivable .....	(30,266,000)	69,607,000
Inventories .....	179,026,000	37,896,000
Prepaid expenses .....	(792,000)	389,000
Total .....	81,129,000	115,550,000

### Increase (decrease) in current liabilities

Accounts payable and accrued expenses .....	3,350,000	50,491,000
Long-term debt due within one year .....	13,111,000	(6,986,000)
Notes payable and other obligations .....	106,738,000	—
Income taxes payable .....	(53,506,000)	52,489,000
Total .....	69,693,000	95,994,000
<b>Increase in working capital .....</b>	<b>\$ 11,436,000</b>	<b>\$ 19,556,000</b>



# Auditors' Report

To the Shareholders of The International Nickel Company of Canada, Limited:

We have examined the financial statements appearing on pages 22 through 28 of this report. Our examinations were made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The International Nickel Company of Canada, Limited and wholly owned subsidiaries at December 31, 1971 and 1970 and the results of their operations and changes in financial position for the years then ended in conformity with generally accepted accounting principles consistently applied.

February 17, 1972

PRICE WATERHOUSE & CO.

## Explanatory Financial Section

### Note 1 - General

The financial statements consolidate the accounts of the Company and its wholly owned subsidiaries and are prepared in conformity with generally accepted accounting principles as established in Canada and the United States.

As in past years, the statements are expressed in United States currency. Current assets, current liabilities and pension plan liability in the Consolidated Balance Sheet are translated at year-end rates of exchange. The translation of all other assets and liabilities generally recognizes the rates historically applicable. Income, costs and expenses are translated at average rates prevailing during each period; depreciation and depletion included in costs are translated at historical rates. Exchange adjustments resulting from the translation of items from currencies other than United States currency were applied to the accumulated liability for exchange.

### Note 2 - Net sales

Net sales in 1971, compared with 1970, are summarized as follows:

	1971	1970
Primary nickel .....	\$ 383,217,000	\$ 577,970,000
Rolling mill products .....	181,963,000	229,402,000
Refined copper .....	171,594,000	200,554,000
Precious metals .....	31,088,000	27,602,000
All other .....	21,367,000	20,320,000
	<u>\$ 789,229,000</u>	<u>\$1,055,848,000</u>

### Note 3 - Remuneration of directors and officers

Selling, general and administrative expenses include remuneration of directors and officers (including past officers) as follows:

	1971	1970
Number of directors .....	27	26
Aggregate remuneration—as directors, paid by:		
The International Nickel Company of Canada, Limited .....	\$ 242,000	\$ 226,000
The International Nickel Company, Inc. ....	20,000	23,000
Total .....	<u>\$ 262,000</u>	<u>\$ 249,000</u>
Number of officers .....	28	27
Aggregate remuneration—officers, paid by:		
The International Nickel Company of Canada, Limited .....	\$1,761,000	\$1,638,000
The International Nickel Company, Inc. ....	887,000	725,000
Other subsidiary companies .....	36,000	64,000
Total .....	<u>\$2,684,000</u>	<u>\$2,427,000</u>
Number of directors who are also present officers .....	4	3

### Note 4 - Other income

Other income includes interest, dividends, net gain on disposal of assets and income from joint venture operations of the Company.

### Note 5 - Property, plant and equipment

Changes in these accounts during the year 1971 are summarized as follows:

	Balance at beginning of year	Addi- tions	Retire- ments	Balance at end of year
	(000's omitted)			
Mines and mining plants . . . . .	\$ 700,100	\$ 81,735	\$ 983	\$ 780,852
Smelters . . . . .	505,457	66,065	3,998	567,524
Refineries . . . . .	196,754	54,590	2,054	249,290
Rolling mills . . . . .	216,154	15,188	1,195	230,147
Other . . . . .	84,573	26,656	9,190	102,039
	<u>1,703,038</u>	<u>\$244,234</u>	<u>\$17,420</u>	<u>1,929,852</u>
Less— Depreciation and depletion . . . . .	535,319	\$ 50,559	\$ 7,947	577,931
	<u>\$1,167,719</u>			<u>\$1,351,921</u>

Substantially all of the above assets are stated at cost. Such cost in the case of the Company's mines—virtually all of which were discovered and developed by the Company—represents, with relatively minor exceptions, only that part of related development and acquisition costs which was capitalized.

The established policy relative to depreciation and depletion was continued during the year and provisions were made that, in the judgment of the management, will result in accumulated provisions adequate to offset, at the expiration of the estimated economic lives of the properties, the recorded cost of the investment in properties, plant and equipment. This policy is supported by studies made periodically of the lives of such properties. The total provision for 1971 of \$50,559,000 includes depreciation of \$40,653,000 and depletion of \$9,906,000 computed on a straight-line basis. The 1970 provision of \$37,633,000 includes depreciation of \$31,450,000 and depletion of \$6,183,000. At the end of 1971, the accumulated provisions were \$447,183,000 for depreciation and \$130,748,000 for depletion. Depletion is based on recorded cost established as explained in the preceding paragraph, and represents neither the "in place" value of the ore consumed during the year nor the amount by which the value of the Company's ore reserves would have decreased through operations if new ore reserves had not been proven up to replace them.

#### Note 6 - Long-term debt

Outstanding long-term debt of the Company and its consolidated subsidiaries consists of the following:

	December 31, 1971	December 31, 1970
Debentures, 6.85% due 1993 . . .	\$150,000,000	\$150,000,000
Debentures, 9.25% due 1990 . . .	73,643,000	73,643,000
Debentures, 7.50% due 1978 . . .	73,275,000	—
Debentures, 8.625% due 1991 . .	73,275,000	—
Bank loan, 5½% (7% in 1970) . .	59,000,000	30,000,000
Other loans at rates between 6.25% and 9.25%, due 1973- 1985 . . . . .	37,817,000	33,017,000
	<u>467,010,000</u>	<u>286,660,000</u>
Less—Long-term debt due within one year . . . . .	13,111,000	—
	<u>\$453,899,000</u>	<u>\$286,660,000</u>

The 6.85% debentures outstanding were sold at par in March 1968. Sinking fund payments calculated to retire 76% of the issue prior to maturity are required in annual installments of \$6,000,000 in 1979 through 1983, \$8,000,000 in 1984 through 1988 and \$11,000,000 in 1989 through 1992. Additional payments into the sinking fund, not exceeding in any year that amount required as above, may be made at the option of the Company. Debentures retired through the operations of the sinking fund are callable at par. The Company has the option to make further retirements at redemption prices ranging progressively downward from 105.80% currently to 100% in 1990.

The 9.25% debentures outstanding were sold at par in October 1970. Sinking fund payments will be made, sufficient to retire on October 1 in each of the years 1976 to 1989 inclusive, \$2,000,000 (Can.) principal amount of debentures. In addition to the mandatory sinking fund payments, the Company will have the right to make optional sinking fund payments to the Trustee, sufficient to retire up to an additional \$1,000,000 (Can.) principal amount of debentures on October 1, 1976; up to \$2,000,000 (Can.) on October 1 in each of the years 1977 to 1981 inclusive; up to \$3,000,000 (Can.) on October 1 in each of the years 1982 to 1986 inclusive; and up to \$4,000,000 (Can.) on October 1 in each of the years 1987 to 1989 inclusive. Debentures retired through the operations of the sinking fund are callable at par. The Company has the option to make further retirements at redemption prices ranging progressively downward from 108.70% currently to 100% in 1988.

The 7.50% and 8.625% debentures outstanding were sold at par in June 1971. The 7.50% debentures are not subject to sinking fund requirements nor are they redeemable prior to maturity. Sinking fund payments for the 8.625% debentures will be made sufficient to retire on June 30, in each of the years 1977 to 1990 inclusive, \$2,000,000 (Can.) principal amount of debentures. In addition to the mandatory sinking fund payments, the Company will have the right to make optional sinking fund payments to the Trustee, sufficient to retire up to an additional \$2,000,000 (Can.) principal amount of debentures on June 30 in each of the years 1977 to 1982 inclusive and up to \$4,000,000 (Can.) on June 30 in each of the years 1983 to 1990 inclusive. Debentures retired through the operations of the sinking fund are callable at par. The Company has the option to make further retirements at redemption prices ranging progressively downward from 108.625% currently to 100% in 1989.

At December 31, 1971 a subsidiary of the Company was indebted to banks for \$59,000,000 in term



notes payable. Such notes are due in installments of \$6,555,500 semi-annually commencing June 30, 1972, with interest at ¼ of 1% per annum above the prime rate in effect from time to time through June 30, 1975 and thereafter until final maturity at ½ of 1% above the prime rate.

Interest expense on long-term debt was \$29,294,000 in 1971 and \$15,464,000 in 1970.

**Note 7 - Notes payable and other obligations**

At December 31, 1971, the Company had \$106,-738,000 outstanding in notes payable and other obligations consisting of \$79,950,000 (Can.) and £10,-528,000.

**Note 8 - Retirement system and pension plans**

Transactions during the two years are summarized as follows:

	1971	1970
Balance at beginning of year .....	\$12,343,000	\$11,308,000
Add:		
Provisions from earnings (actuari-		
ally computed) .....	8,203,000	9,426,000
Currency exchange adjustments..	181,000	710,000
	<u>8,384,000</u>	<u>10,136,000</u>
Deduct:		
Contributions paid to Trustees ...	8,032,000	8,166,000
Benefits paid directly by the Com-		
pany .....	1,013,000	935,000
	<u>9,045,000</u>	<u>9,101,000</u>
Balance at end of year .....	<u>\$11,682,000</u>	<u>\$12,343,000</u>

The balance represents provisions made for unfunded pension benefits payable directly by the Company. The Company's pension plans cover substantially all of its employees. Provisions have been made for all significant past service costs.

**Note 9 - Income taxes**

The provisions for income taxes during the two years were as follows:

	1971	1970
Future deferred .....	\$36,400,000	\$ 42,200,000
Current deferred .....	(3,800,000)	4,500,000
Total deferred tax .....	32,600,000	46,700,000
Current tax .....	(2,765,000)	74,391,000
	<u>29,835,000</u>	<u>121,091,000</u>
Non-recurring tax adjustment ...	(6,700,000)	—
Provision from earnings .....	<u>\$23,135,000</u>	<u>\$121,091,000</u>
Canada .....	\$18,272,000	\$100,277,000
Other (principally United Kingdom		
and United States) .....	4,863,000	20,814,000
	<u>\$23,135,000</u>	<u>\$121,091,000</u>

The lower provision for taxes in 1971 is attributable mainly to the decline in earnings. The provision also reflects tax exemption on “new mines” income from Birchtree, Kirkwood and for three mines reaching commercial production in 1971. Tax exemption approval for these mines will be decided upon by the Department of National Revenue. In addition, the lower provision includes a non-recurring tax adjustment relating to prior years of \$6,700,000 and the tax reductions announced in Canada and the United Kingdom.

The provisions for United States taxes reflect the “flow-through” method of accounting for investment credit. The amounts of credit were not material.

As a result of tax regulations, certain timing differences exist in the reporting of deductions for book and tax purposes, primarily depreciation. Income taxes in the Consolidated Statement of Earnings and Retained Earnings include deferred taxes as shown above.

The cumulative tax effect of timing differences relating to items of a non-current nature is shown separately as deferred income taxes of \$238,400,000 in the Consolidated Balance Sheet. The cumulative tax effect of timing differences relating to items of a current nature of \$8,000,000 is included in the current liability for income taxes payable.

**Note 10 - Securities**

Marketable and miscellaneous securities are carried at cost. Market values, in the aggregate, approximated cost at the end of each year.

**Note 11 - Inventories**

Inventories are comprised of:

	December 31, 1971	December 31, 1970
Metals, finished and in-process.	\$397,981,000	\$223,780,000
Supplies .....	67,467,000	62,642,000
	<u>\$465,448,000</u>	<u>\$286,422,000</u>

Inventories are valued at the lower of cost or market prices; cost for metals is average production or purchase cost, and for supplies is average purchase cost. Inventory quantities were adjusted from time to time throughout the year to physical stock-takings. At the end of the year there were no substantial purchase commitments at prices in excess of market levels.

## Note 12 - Liabilities for insurance, operating purposes and exchange

Changes in these liabilities during the two years were as follows:

	1971	1970
Balance at beginning of year . . . .	\$29,595,000	\$26,847,000
Add:		
Currency exchange adjustments (net) . . . . .	2,731,000	(1,231,000)
Provision for self-insurance . . . .	1,000,000	1,000,000
Provision for operating purposes . .	1,214,000	3,542,000
	<u>4,945,000</u>	<u>3,311,000</u>
Deduct:		
Charges for operating purposes . .	9,103,000	563,000
Balance at end of year . . . . .	<u>\$25,437,000</u>	<u>\$29,595,000</u>
The year-end balances are:		
Exchange . . . . .	\$ 2,731,000	\$ —
Insurance . . . . .	18,000,000	17,000,000
Operating purposes . . . . .	4,706,000	12,595,000
	<u>\$25,437,000</u>	<u>\$29,595,000</u>

## Note 13 - Stock option plans

The Key Employees Stock Option Plan, ratified by shareholders at the Annual Meeting on April 24, 1957, authorized the granting of options on 1,750,000 unissued common shares at prices not less than 95% of the fair market value on the day the options were granted. The options are exercisable in installments beginning not earlier than one year after date of grant over a period not exceeding ten years from the date of grant. During 1971, options were exercised in respect of 47,925 shares, for which the Company received \$1,459,000, which has been credited in full to the common shares account, and options for 49,411 shares were terminated. As of December 31, 1971, options for a total of 1,598,572 shares had been exercised, and 97,612 shares (including 36,987 shares for directors and officers) were subject to outstanding options as follows:

Date of grant	Option price per share	Shares for directors and officers	Total shares
December 1962	\$23.40	1,362	10,022
August 1966	32.70	35,625	87,590
		<u>36,987</u>	<u>97,612</u>

This Plan was terminated in 1968 except as to options then outstanding and no further options may be granted thereunder.

The Key Employees Incentive Plan, ratified by shareholders at the Special General Meeting on July 17, 1968, authorizes the granting of options to purchase up to 1,000,000 common shares at prices not less than 100% of their market value, pursuant to the Plan, on the day the option is granted. The Plan provides that no shares subject to option shall be purchasable prior to the expiration of one year after the date of grant nor after a period not exceeding ten years from the date of grant. During 1971, options were granted

for 73,500 shares and options for 6,875 shares were terminated. Options were exercised in respect of 1,175 shares, for which the Company received \$44,000, which has been credited in full to the common shares account.

As of December 31, 1971, 466,875 shares were available for future grants and 529,163 shares (including 250,250 shares for directors and officers) were subject to outstanding options as follows:

Date of grant	Option price per share	Shares for directors and officers	Total shares
February 1969	\$37.75	157,000	187,500
April 1969	37.44	27,250	176,188
August 1969	35.19	—	3,000
April 1970	45.88	35,000	84,975
September 1970	40.00	4,000	4,000
April 1971	44.50	27,000	73,500
		<u>250,250</u>	<u>529,163</u>

The Plan, which is administered by a Committee of three or more Directors who are not eligible to participate in the Plan, also authorizes awards of supplemental compensation in respect of each year beginning with the year 1968 up to an aggregate amount not in excess of the "Incentive Fund" for such year. The amount of the Incentive Fund for each year shall be determined by the Board of Directors of the Company from time to time prior to the end of the following year, provided that the amount so determined shall not exceed an amount equal to 2% of the sum of the consolidated net earnings and provision for income taxes as set forth in the financial statements in the Annual Report of the Company for that year, plus an additional amount equal to any excess of the Incentive Fund for the preceding year over the amount of the awards made for that year, except that such additional amount shall in no event exceed the total amount of awards for the preceding year. Such awards may be made in, or in commitments to deliver cash, shares of the Company, "share units" or such other kind or form of compensation as may, in the judgment of the Committee, be best calculated to further the purposes of the Plan, all on such terms and subject to such conditions as the Committee may determine. The Incentive Fund for 1970 was determined to be \$2,750,000, and early in 1971 supplemental compensation awards from the Fund totaling \$2,100,000 were made.

## Note 14 - Capital surplus

Capital surplus was unchanged during each year. It includes \$11,664,000 representing the amount received in 1930 for common shares in excess of the capital value assigned thereto, this amount being "distributable surplus" as defined by the Canada Corporations Act.



**Trust funds  
retirement system  
and other pension plans**

There are five irrevocable Trust Funds in Canada, the United States and the United Kingdom to implement the Retirement System and the other pension plans for the Company’s employees. While the accounts of these Trust Funds are separate and distinct from the accounts of the Company and its subsidiaries, a summary of the accounts of the five funds appears in the ensuing paragraph for general information purposes.

At the beginning of the year, Government bonds and other marketable securities at cost, cash and other assets in the hands of the Trustees aggregated \$232,260,000. During the year total contributions paid to the Trustees by the Company and employees were \$8,338,000, income from investments was \$10,303,000, and Retirement System and other pension plan benefits of \$10,567,000 were paid from the Trust Funds. Accordingly, on December 31, 1971, the Trustees had assets in hand of \$242,811,000. These figures are expressed in United States currency, and exchange adjustments during the year resulted in an increase of \$2,477,000 in terms of that currency.

At February 17, 1972 the Trustees of the three Canadian Trust Funds and of the United States and British Funds were:

<b>Canadian Funds</b>	<b>United States Fund</b>
G. Arnold Hart	Ellmore C. Patterson
Peter D. Curry	William C. Bolenius
Allen T. Lambert	H. C. F. Mockridge
H. C. F. Mockridge	Samuel H. Woolley
Charles F. Baird	Charles F. Baird

**British Fund**

International Nickel (Retirement System) Trustees  
Limited

**COUNSEL**  
SULLIVAN & CROMWELL  
OSLER, HOSKIN & HARCOURT

**AUDITORS**  
PRICE WATERHOUSE & CO.

**TRANSFER AGENTS**  
CANADA PERMANENT TRUST COMPANY,  
Toronto, Ont.  
THE ROYAL TRUST COMPANY, Montreal, P.Q.  
MORGAN GRENFELL & CO. LIMITED, London, England  
BANKERS TRUST COMPANY, New York, N.Y.

**REGISTRARS**  
MONTREAL TRUST COMPANY, Toronto, Ont.  
MONTREAL TRUST COMPANY, Montreal, P.Q.  
LLOYDS BANK LIMITED, London, England  
MORGAN GUARANTY TRUST COMPANY OF  
NEW YORK, New York, N.Y.

**DIVIDEND DISBURSING AGENTS**  
BANKERS TRUST COMPANY, New York, N.Y.  
MORGAN GRENFELL & CO. LIMITED, London, England

## Ten-Year Review

of Operating and Financial Data

THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

and wholly owned subsidiaries

	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962
<b>Operating Data*</b>										
Ore mined—wet short tons	28,200	28,300	18,800	24,900	20,400	17,600	19,800	16,400	13,600	13,800
Nickel deliveries—pounds	342,500	518,900	382,200	480,800	463,500	500,200	493,000	444,200	350,700	318,200
Copper deliveries—pounds	340,300	348,100	208,200	314,200	310,900	293,000	275,900	286,500	253,600	267,300
Platinum-group metals and gold deliveries—troy ounces	437	388	422	441	476	501	511	545	439	411
<b>Financial Data*</b>										
Net Sales and Other Income	\$ 799,900	1,067,000	705,300	781,300	721,300	703,300	643,000	576,300	468,700	452,400
Costs and Expenses	\$ 632,000	699,700	497,600	521,500	475,100	489,900	379,200	346,300	292,600	296,500
Depreciation and Depletion	\$ 50,600	37,600	33,500	29,300	26,100	26,200	26,500	27,500	26,200	24,300
Income Taxes	\$ 23,100	121,100	57,700	86,800	78,300	69,000	93,500	66,700	43,600	37,400
Net Earnings	\$ 94,200	208,600	116,500	143,700	141,800	118,200	143,800	135,800	106,300	94,200
Per Common Share†	\$ 1.26	2.80	1.56	1.93	1.90	1.59	1.94	1.84	1.44	1.28
Dividends	\$ 96,900	104,200	89,300	91,500	89,100	83,100	90,300	81,300	66,300	55,900
Per Common Share†	\$ 1.30	1.40	1.20	1.23	1.20	1.12	1.22	1.10	0.90	0.76
Capital Expenditures**	\$ 244,200	272,500	175,200	175,400	145,700	73,000	62,700	44,400	36,000	61,000
Exploration Expenditures**	\$ 32,900	31,900	19,900	17,000	13,300	11,700	12,300	7,600	6,400	5,900
Net Working Capital	\$ 387,300	375,800	356,300	430,800	321,000	373,600	375,200	342,000	292,700	259,600
Net Property, Plant and Equipment	\$1,351,900	1,167,700	940,000	798,300	652,200	532,600	485,700	450,300	435,700	425,900
Total Assets‡	\$2,094,800	1,827,400	1,477,000	1,396,200	1,120,300	1,022,800	986,800	898,500	809,600	759,700
Capitalization										
Long-Term Debt	\$ 453,900	286,700	184,300	178,300	—	—	—	—	—	—
Shareholders' Equity	\$1,051,400	1,052,500	946,500	918,400	865,200	808,400	770,900	713,400	654,300	612,300
Invested Capital	\$1,505,300	1,339,200	1,130,800	1,096,700	865,200	808,400	770,900	713,400	654,300	612,300
Return on Invested Capital	6.3%	15.6%	10.3%	13.1%	16.4%	14.6%	18.7%	19.0%	16.2%	15.4%
<b>Other Statistics</b>										
Employees	36,089	37,313	34,321	33,314	32,552	31,837	32,512	30,501	26,907	27,606
Shareholders	92,217	84,320	84,219	75,587	64,207	67,120	65,965	63,993	64,178	63,425

\* Expressed in thousands except where noted.

\*\* Includes capitalized exploration expenditures.

† As adjusted to reflect the split of shares on a 2½-for-1 basis in 1968.

‡ Does not include any value for the minerals in the major portion of the Company's ore reserves.



# THE INTERNATIONAL NICKEL COMPANY OF CANADA, LIMITED

(as of February 17, 1972)

## Officers

Chairman and Chief Officer

HENRY S. WINGATE

Senior Executive Vice President

JAMES C. PARLEE

Vice President—Finance and Treasurer

CHARLES F. BAIRD

Vice President and Secretary

RICHARD A. CABELL

Comptroller

HARRY BOWLER

Assistant to the Chairman

JOHN H. PAGE

Vice Presidents

STEPHEN F. BYRD

J. EDWIN CARTER

GLENN H. CURTIS

KENNETH A. DeLONGE

JOHN McCREEDY

HENRY W. PETERSON

President

ALBERT P. GAGNEBIN

Executive Vice President

L. EDWARD GRUBB

Vice Presidents

JOHN A. PIGOTT

DEAN D. RAMSTAD

LOUIS S. RENZONI

WILLIAM STEVEN

ASHBY McC. SUTHERLAND

H. FRANKLIN ZURBRIGG

## Directors

*Term Expires 1972*

WILLIAM C. BOLENIUS\*

Former Vice-Chairman,  
American Telephone and  
Telegraph Company,  
New York

NORRIS R. CRUMP, C. C.\*

Chairman of the Company,  
Canadian Pacific Limited,  
Montreal

PETER D. CURRY

Chairman,  
The Investors Group,  
Winnipeg

ALBERT P. GAGNEBIN

President

JAMES H. GOSS\*

Former Vice President,  
General Electric Company,  
Westbrook, Conn.

ALLEN T. LAMBERT

Chairman and President,  
The Toronto-Dominion Bank

DONALD H. McLAUGHLIN

Chairman, Executive Committee,  
Homestake Mining Company,  
San Francisco

JAMES C. PARLEE

Senior Executive  
Vice President

ELLMORE C. PATTERSON

Chairman,  
Morgan Guaranty Trust  
Company of New York

GEORGE T. RICHARDSON

President,  
James Richardson  
& Sons, Limited,  
Winnipeg

LUCIEN G. ROLLAND

President,  
Rolland Paper  
Company, Limited,  
Montreal

IVOR D. SIMS\*

Executive Vice President,  
Bethlehem Steel  
Corporation,  
Bethlehem, Pa.

HENRY S. WINGATE

Chairman of the Board

*Term Expires 1973*

DAVID W. BARR

President,  
Moore Corporation, Limited,  
Toronto

JOHN J. DEUTSCH, C. C.

Principal,  
Queen's University,  
Kingston, Ont.

WM. WARD FOSHAY

Member of the firm of  
Sullivan & Cromwell,  
New York

J. ROY GORDON

Former President  
of the Company

L. EDWARD GRUBB

Executive Vice President

G. ARNOLD HART, M. B. E.

Chairman,  
Bank of Montreal

J. K. JAMIESON

Chairman,  
Standard Oil  
Company (New Jersey),  
New York

H. C. F. MOCKRIDGE, Q. C.\*

Member of the firm of  
Osler, Hoskin & Harcourt,  
Toronto

THE RT. HON. LORD NELSON  
OF STAFFORD

Chairman,  
The General Electric  
Company Limited,  
London, England

SIR RONALD L. PRAIN, O. B. E.

Chairman,  
RST International  
Metals Limited,  
London, England

THE RT. HON.  
VISCOUNT WEIR, C. B. E.

Chairman,  
The Weir Group Limited,  
Glasgow, Scotland

SAMUEL H. WOOLLEY

Chairman,  
The Bank of New York

\* Member of Audit Committee

## Executive Committee

HENRY S. WINGATE, Chairman

L. EDWARD GRUBB

G. ARNOLD HART, M. B. E.

## Advisory Committee

HENRY S. WINGATE, Chairman

J. ROY GORDON

L. EDWARD GRUBB

ALBERT P. GAGNEBIN

J. ROY GORDON

H. C. F. MOCKRIDGE, Q. C.

ELLMORE C. PATTERSON

NORRIS R. CRUMP, C. C.

HON. LEWIS W. DOUGLAS, G. B. E.

ALBERT P. GAGNEBIN

DONALD H. McLAUGHLIN

GEORGE C. SHARP

R. EWART STAVERT

**Parent and Principal Subsidiary Companies  
THE INTERNATIONAL NICKEL COMPANY  
OF CANADA, LIMITED**

*General Offices:* Copper Cliff, Ontario  
*Toronto Office:* Toronto-Dominion Centre,  
Toronto 111, Ontario

**THE INTERNATIONAL NICKEL COMPANY, INC.**

*General Offices:* One New York Plaza,  
New York, N.Y. 10004, U.S.A.

**HUNTINGTON ALLOY PRODUCTS DIVISION**

*New York Office:* One New York Plaza,  
New York, N.Y. 10004, U.S.A.

*Huntington Office:* Huntington,  
West Virginia 25720, U.S.A.

**INTERNATIONAL NICKEL LIMITED**

*General Offices:* Thames House,  
Millbank, London, SW1P 4QF, England

**HENRY WIGGIN & COMPANY LIMITED**

*General Offices:* Thames House,  
Millbank, London, SW1P 4QF, England

*Hereford Office:* Holmer Road,  
Hereford, England

**OTHER SUBSIDIARIES INCLUDE:**

**Canada**

Anglo-Canadian Mining & Refining Company  
Limited, Toronto  
Canadian Nickel Company Limited, Toronto

**Central America**

Exploraciones y Explotaciones Mineras Izabal, S.A.  
(Exmibal), Guatemala City

**Europe**

International Nickel A.G., Zurich  
International Nickel B.V., The Hague  
International Nickel Benelux S.A., Brussels  
International Nickel Deutschland G.m.b.H., Dusseldorf  
International Nickel France S.A., Paris  
International Nickel Gesellschaft m.b.H., Vienna  
International Nickel Iberica Limited, Madrid  
International Nickel Italia S.p.A., Milan  
International Nickel Oceanie S.A., Paris  
International Nickel Svenska AB, Stockholm  
Nickel Alloys International S.A., Brussels

**Asia**

International Nickel (India) Private Limited,  
Bombay  
International Nickel Japan Ltd., Tokyo  
P.T. International Nickel Indonesia, Jakarta

**Australia**

International Nickel Australia Limited, Sydney  
Australasian Nickel Alloys, Melbourne

**Africa**

International Nickel S.A. (Proprietary) Limited,  
Johannesburg

**Principal Properties, Plants,  
Laboratories and Products**

*MINES:*

**Sudbury District, Ontario**—Clarabelle, Coleman,  
Copper Cliff North, Copper Cliff South, Crean Hill,  
Creighton, Frood-Stobie, Garson, Kirkwood,  
Levack, Little Stobie, MacLennan, Murray and Totten

**Thompson District, Manitoba**—Birchtree, Pipe,  
Soab and Thompson

*CONCENTRATORS:*

**Sudbury District, Ontario**—Clarabelle, Copper Cliff,  
Creighton, Frood-Stobie and Levack

**Thompson District, Manitoba**—Thompson

*SMELTERS:*

**Copper Cliff, Ontario**—Nickel oxide sinters

**Coniston, Ontario**

**Thompson, Manitoba**

*IRON ORE RECOVERY PLANT:*

**Copper Cliff, Ontario**—Iron ore and nickel oxide

*REFINERIES:*

**Port Colborne, Ontario**—Nickel metal and  
osmium

**Thompson, Manitoba**—Nickel metal and  
elemental sulphur

**Copper Cliff, Ontario**—Copper, gold, silver,  
selenium, tellurium, semi-refined platinum-  
group metals, and nickel sulphate

**Clydach, Wales**—Nickel metal (pellet and  
powder), and nickel and cobalt salts and oxides

**Acton (London), England**—Platinum, palladium,  
rhodium, ruthenium and iridium

*RESEARCH LABORATORIES  
AND PILOT PLANTS:*

**Sheridan Park and Port Colborne, Ontario**

**Sterling Forest, New York, and Harbor Island,  
North Carolina, U.S.A.**

**Birmingham, England, and Clydach, Wales**

*ROLLING MILLS:*

**Plants**—Huntington, West Virginia, and Burnaugh,  
Kentucky, U.S.A.; Hereford, England—Wrought  
nickel and high-nickel alloys

**Research Laboratories**—Huntington, West  
Virginia, U.S.A.; Hereford, England



### **ANNUAL MEETING**

The Chairman will make a report to shareholders at the Annual Meeting, which will be held in Toronto on April 19, 1972.



# INTERNATIONAL NICKEL

**The International Nickel Company of Canada, Limited**

**The International Nickel Company, Inc.**

**International Nickel Limited**